

Financial Statements

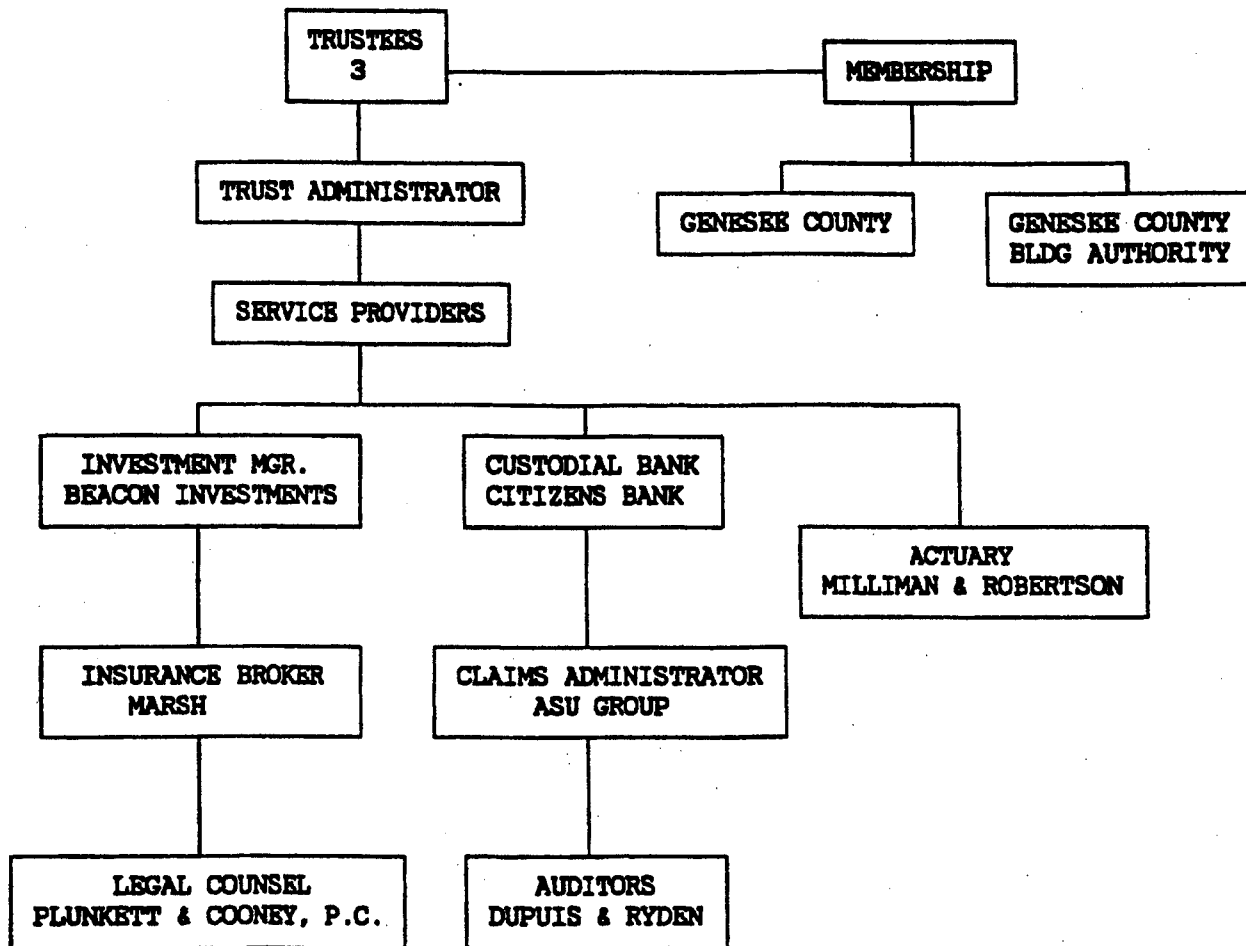
**Genesee County
Self-Insured Trust Pool
(A Fund of Genesee County, Michigan)**

September 30, 2005 and 2004

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GENESEE COUNTY SELF-INSURED TRUST POOL



Genesee County Self-Insured Trust Pool

December 30, 2005

The annual financial report of the Genesee County Self-Insured Trust Pool (Pool) for the fiscal period ended September 30, 2005 is submitted herein. This report was prepared by the Trustees of the Pool. Responsibility for both the accuracy of the presented data and the completeness of the presented data, including all disclosures rests with the Pool. We believe the data as presented to be accurate in all material aspects; that it is presented in a manner designated to fairly set forth the financial position and results of operations of the Pool as measured by the financial activity of the fund and that all disclosures necessary to enable the members to gain an understanding of the Pool's financial activity has been included.

Financial and Actuary Reports

The accrual basis, under which revenues are recorded when earned and expenses are recorded when the related liabilities are incurred, is used to account for the Pool funds within the auditor's financial report.

The actuary opinion letter includes supplemental schedules.

Notes to Financial Statements

The notes provided in the financial section of this report are considered an integral, essential part of adequate disclosure and fair presentation of this financial report. The notes express significant insight into the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this report.

Background and History

The Pool was formed pursuant to the Michigan Intergovernmental Cooperation Act, P.A. 138 of 1982, as amended. The Pool became fully operational in January 1996. The purpose of the Pool is to provide general liability (includes law enforcement liability and incidental medical malpractice), public officials errors and omission, auto liability and property insurance coverages, as well as claims administration, risk management, legal and loss control services. The Pool currently only provides coverages for general liability and public officials' errors and omissions, with the accompanying service for claims, legal and loss control administration.

The Pool was initially formed with and still has two members, consisting of the County of Genesee and the Genesee County Building Authority.

Management and Control

Board of Trustees

The Pool is governed by a board of trustees. Any member joins in electing the trustees as its governing authority. The trustees govern and administer the Pool in accordance with the Intergovernmental Contract Between Municipalities Act, the Pool's intergovernmental contract, and the Genesee County Self-Funded Property/Casualty Program Trust Agreement (Trust Agreement). On matters involving governance of the Pool, the intergovernmental contract will control over the trust agreement to the extent of any inconsistency between them.

In accordance with the trust agreement, the trustees shall be the following: The Genesee County Controller (Building Authority Representative), the County Corporation Counsel and the County Risk Manager (County Representatives). A trustee shall cease to be such upon ceasing to hold the above referenced positions. The County Controller shall serve as Chairperson of the Board and the Risk Manager as Administrator of the Pool.

Members of the Board of Trustees duly elected and serving as of September 30, 2005 were:

<u>Name</u>	<u>County Title</u>
George Martini	Controller
Ward Chapman	Corporation Counsel
P. Andrea Smutz	Risk Manager

Members

One or more municipal corporations not initially a party to the intergovernmental contract may become a member or members of the Pool. Members shall be admitted provided that such municipal corporation is a component of county government within Genesee County, upon approval by the Genesee County Board of Commissioners, and upon adoption of the intergovernmental contract. The insurance coverages for, and the required contributions from, any such additional member will be provided in an additional appendix to the intergovernmental contract.

Territory and Plan of Operation

The Pool insured its members for general liability, law enforcement, incidental medical malpractice, and public officials' errors and omissions coverages.

The Pool has no employees. Most administrative, accounting, and financial reporting services are performed by employees of Genesee County.

The Pool has contracted with ASU Risk Management Services for claims administration services.

The following is a summary of the growth of the Pool from October 1, 2000 to September 30, 2005.

<u>Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Members' Surplus</u>	<u>Members Contributions</u>
2001	\$7,003,528	\$1,971,642*	\$5,031,886*	\$600,687
2002	6,076,650	1,354,552	4,722,098***	552,308
2003	7,181,605	1,656,591	5,525,014	728,886
2004	6,976,831	1,091,521	5,885,310	784,180
2005	7,230,827	1,306,901	5,923,926	701,305

Per a review by the State and its actuarial team, the Trustees have elected to use the undiscounted reserves for unpaid loss and loss adjustment expenses which reflect the actual projection and a better than expected loss history.

* Decline in market conditions, low return on fixed income, increased claim settlements and legal expenses corresponded to an increase in liabilities and decrease in member surplus.

*** Decline in market values with increases in excess insurance more than offset the reduction in claims and the reduction in IBNR.

Insurance

The Pool provides coverages across all lines up to the first \$500,000 for each occurrence. The Pool purchases specific excess insurance plus \$5,000,000 aggregate excess insurance for coverages in excess of the retained amounts. The Primary layer of \$5,000,000 was purchased from Genesis Insurance.

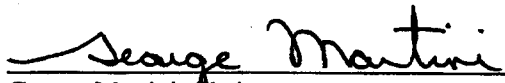
The Pool has purchased an additional \$15,000,000 in excess of the Primary layer, \$5,000,000 from Hanover Insurance and \$10,000,000 from Westchester Fire. The Pool had a total limit of \$20,000,000 while retaining \$500,000 as the self-insured retention for the Pool.


Investments

Investments are recorded at fair value. Custodian for the Pool is Citizens Bank, Flint, Michigan, with Beacon Investments, Ann Arbor, as investment advisors.

This report is submitted to the Pool members, acknowledging the support of the Genesee County Controller's Office accounting staff.

Submitted by:


George Martini, Chairperson


P. Andrea Smutz, Administrator/Risk Manager

Independent Auditors' Report

To the Board of Trustees
Genesee County Self-Insured Trust Pool
Flint, Michigan

We have audited the basic financial statements of the Genesee County, Michigan for the year ended September 30, 2005, and have issued our report thereon dated December 30, 2005, which expressed unqualified opinion on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. Those basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The basic financial statements for the year ended September 30, 2004, were audited by other auditors whose report dated January 12, 2005, expressed unqualified opinions on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Genesee County's basic financial statements. The accompanying financial statements of the Genesee County Self-Insured Trust Pool are presented to the purpose of additional analysis and are not a required part of the basic financial statements. The information presented has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PLANTE & MORAN, PLLC

December 30, 2005

Genesee County Self-Insured Trust Pool
Balance Sheets
September 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash and cash equivalents	\$ 51,333	\$ 17,563
Investments	6,967,240	6,769,243
Accounts receivable	21,772	-
Accrued interest receivable	34,815	-
Due from Genesee County funds	8,489	-
Prepaid expenses	147,178	190,025
	<u>\$ 7,230,827</u>	<u>\$ 6,976,831</u>
Total assets		
Liabilities and net assets		
Liabilities:		
Other payables	\$ 9,860	\$ 7,484
Accrued payroll	2,193	1,915
Due to Genesee County Non-Pool Trust Fund	468,333	379,833
Due to members	-	482
Reserve for claims	826,515	701,807
	<u>1,306,901</u>	<u>1,091,521</u>
Total liabilities		
Net Assets		
Unrestricted	<u>5,923,926</u>	<u>5,885,310</u>
Total liabilities and retained earnings	<u>\$ 7,230,827</u>	<u>\$ 6,976,831</u>

See notes to financial statements.

Genesee County Self-Insured Trust Pool
Statements of Revenues, Expenses, and
Changes in Net Assets
For the Years Ended September 30, 2005 and 2004

	2005	2004
Revenues and other income:		
Member contributions	\$ 766,381	\$ 784,180
Investment earnings	445,728	566,693
Total revenues and other income	1,212,109	1,350,873
Claims:		
Paid	115,160	143,186
Increase (decrease) in reserves for claims	124,708	(276,095)
Total claims	239,868	(132,909)
Excess of revenue over claims	972,241	1,483,782
Expenses:		
Administrative Expenses:		
Wages	36,632	34,511
Fringe Benefits	14,089	12,473
Supplies	-	594
Other service charges	70,266	67,051
Travel/workshop	-	204
Reinsurance fees	804,263	762,007
Professional fees and other	8,375	214,774
Loss control/safety	-	850
Total expenses	933,625	1,092,464
Excess of revenue over expenses and claims before transfer	38,616	391,318
Transfer to other County funds	-	(31,022)
Increase in net assets	38,616	360,296
Net assets at beginning of year	5,885,310	5,525,014
Net assets at end of year	\$ 5,923,926	\$ 5,885,310

See notes to financial statements.

Genesee County Self-Insured Trust Pool
Statements of Cash Flows
For the Years Ended September 30, 2005 and 2004

	2005	2004
Cash flows from operating activities:		
Cash received from members	\$ 701,305	\$ 784,180
Cash paid for claims	(115,160)	(143,186)
Cash payments to suppliers and other	(749,663)	(1,331,041)
Cash payments to employees for services	(50,443)	(46,605)
Net cash used in operating activities	<u>(213,961)</u>	<u>(736,652)</u>
Cash flows from noncapital financing activities:		
Transfers to other County funds	-	(31,022)
Cash flows from investing activities:		
Purchase of investment securities	(5,573,652)	(3,735,507)
Proceeds from the sale of investment securities	5,624,424	4,309,322
Interest and dividends received	196,959	166,651
Net cash provided by investing activities	<u>247,731</u>	<u>740,466</u>
Net increase (decrease) in cash and cash equivalents	33,770	(27,208)
Cash and cash equivalents at beginning of year	<u>17,563</u>	<u>44,771</u>
Cash and cash equivalents at end of year	<u>\$ 51,333</u>	<u>\$ 17,563</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ 38,616	\$ 391,318
Adjustments to reconcile excess of revenues over expenses and claims before transfers to net cash provided by (used in) operating activities:		
Realized and Unrealized (gains) losses on investments	(248,769)	(400,042)
Interest and dividends received	(196,959)	(166,651)
Change in assets and liabilities:		
Due from (to) other funds	88,018	(285,562)
Accounts and accrued interest receivable	(65,076)	-
Prepaid expenses	42,847	3,793
Reserves for claims	124,708	(276,095)
Accrued expenses	2,654	(3,413)
Net cash used in operating activities	<u>\$ (213,961)</u>	<u>\$ (169,959)</u>

Non-cash transactions:

The unrealized gains for 2005 and 2004 were \$283,970 and \$324,586, respectively.

The realized loss for 2005 was \$35,201 and the realized gain for 2004 was \$75,456.

See notes to financial statements.

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2005 and 2004

Note 1. Description of operations, reporting entity, and fund types

The Genesee County Self-Insured Trust Pool (hereafter called the "Pool") was created to initiate and oversee loss prevention and loss control activities to reduce losses and to account for all applicable liability claims for the County's participating member units (currently, Genesee County and the Genesee County Building Authority). The Pool was created in accordance with State law, Michigan Intergovernmental Cooperation Act, P.A. 138 of 1982, as amended.

These financial statements present only the fund of the Genesee County Self-Insured Trust Pool (the Pool) (a fund of Genesee County) and do not purport to, and do not, present fairly the financial position of Genesee County, Michigan as of September 30, 2005 and the changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States. Industry standards require the County to include the financial activities of the Pool in the County's Annual Financial Report. The Annual Financial Report of Genesee County is available for public inspection at the Governmental Center. The Pool was created by Genesee County through the establishment of a Trust in January 1996.

Note 2. Summary of significant accounting policies

The accounting policies of The Pool conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

A. Basis of presentation:

The financial activities of the Genesee County Self-Insured Trust Pool are accounted for in an enterprise fund. The Pool accounts for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income, is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. Measurement focus:

The accounting and financial reporting treatment applied to the Pool is determined by its measurement focus. The Pool is a proprietary fund and is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The operating statement presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2005 and 2004

Note 2. Summary of significant accounting policies - (continued)

C. Basis of accounting:

The accrual basis of accounting is used by the Pool. The accrual basis provides that revenues be recorded when earned and expenses are recorded when the related liability is incurred. The Pool applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

D. Cash and cash equivalents:

For purposes of the cash flows statement, all highly liquid short-term investments with a maturity of less than 90 days at time of purchase are classified as cash and cash equivalents.

E. Accounts receivable:

Accounts receivable balances are comprised mainly of amounts due from vendors. Management follows the allowance method in valuing accounts receivable. No allowance was necessary for the year ended September 30, 2005.

F. Investments:

Investments are stated at fair value.

G. Prepaid expenses:

Prepaid expenses are payments made to vendors for services that will benefit future periods.

H. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Reclassifications:

Reclassifications have been made to the 2004 financial statements to conform with the 2005 presentation.

Note 3. Cash and investments

Investments:

State statutes as they relate to group Self-Insurance Pool (Public Act 218 of 1956, as amended) authorizes the Pool to invest in obligations of the U.S. Treasury and U.S. agencies, deposit agreements with federally insured financial institutions within the State of Michigan, commercial paper, common stocks, real estate, repurchase obligations of the U.S. Government and U.S. agencies, banker's acceptances of U.S. banks, common stocks, and mutual funds comprised of the above authorized investments. The Pool has adopted the above as its investment policy and has authorized the following depositories: Citizens Bank and Beacon Investment Company.

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2005 and 2004

Note 3. Cash and investments - (continued)

Investments: - (continued)

The Pool's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial credit risk of bank deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Pool's deposits may not be returned to it. The Pool does not have a deposit policy for custodial credit risk. At year end, the Pool had \$51,333 of bank deposits that were a part of Genesee County's pooled cash account. The Pool's portion of uninsured and uncollateralized deposits is unknown.

Custodial credit risk of investments:

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pool will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pool does not have a policy for custodial credit risk. At year end, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Pool's name.

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
Corp bonds	\$2,416,095	Counterparty's trust dept
Corporate stocks	4,134,297	Counterparty's trust dept

Interest rate risk:

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Pool's investment policy does not restrict investment maturities. As of September 30, 2005, the Pool had the following investments and maturities:

	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1 - 10 Years</u>	<u>More than 10 Years</u>
Money Markets	\$ 416,848	\$416,848	\$ -	\$ -
Corporate Bonds	2,416,095	400,000	2,016,095	-
Corporate Equities	4,134,297	-	-	4,134,297
	<u>\$6,967,240</u>	<u>\$816,848</u>	<u>\$2,016,095</u>	<u>\$4,134,297</u>

As of September 30, 2004, the Pool had the following investments and maturities:

	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1 - 10 Years</u>	<u>More than 10 Years</u>
Money Markets	\$ 300,546	\$300,546	\$ -	\$ -
U.S. Agencies	151,125	151,125	-	-
Corporate Bonds	1,802,848	-	1,802,848	-
Corporate Equities	4,514,724	-	-	4,514,724
	<u>\$6,769,243</u>	<u>\$451,671</u>	<u>\$1,802,848</u>	<u>\$4,514,724</u>

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2005 and 2004

Note 3. Cash and investments - (continued)

Credit risk:

State law related to group self insurance pools does not limit the types of debt securities that can be held. As of September 30, 2005, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Corp. bonds	\$2,416,263	A-WTD	S & P
Corp. bonds	400,000	A1+ WTD	S & P

Concentration of credit risk:

The Board places no limit on the amount the Pool may invest in any one issuer. The Pool held shares in the SEI Daily Income Treasury Money Market Fund that is 6% of the total investments of the Pool.

Note 4. Risk management

There are various legal actions against the Genesee County Self-Insured Trust Pool. Due to the inconclusive nature of these actions, it is not possible for legal counsel to conclusively determine in the aggregate if the probable outcome will exceed the reasonable estimation of the Pool's accrued claims and incurred but not reported liability.

The Pool is self-funded for general liability, law enforcement, incidental medical malpractice, and public official errors and omissions up to the first \$500,000 for each occurrence. The Pool purchases individual claim excess liability coverage through Genesis Insurance up to \$5,000,000. The Pool has purchased additional \$15,000,000 of excess coverage above the underlying \$5,000,000 excess policy, \$5,000,000 from Hanover Insurance and \$10,000,000 from Westchester Fire. The combined excess coverage is \$20,000,000 above the self insurance retention limit of \$500,000.

The Pool pays its losses through an Imprest fund account established with Citizens Banking Corporation in its own name, which is administered by the ASU Group. The net assets as of September 30, 2005 and 2004 were \$5,923,926 and \$5,885,310, respectively. An actuarial study projected a required reserve of \$290,906 for claims known and incurred plus \$535,609 accrued as a liability for incurred but not reported (IBNR) losses and expenses as of 2005. The actuarial study projected a required reserve of \$826,515 for known claims and incurred as of 2005. The Pool's Risk Manager/Administrator provides various risk control techniques through a continuing education program. There were no reductions in excess insurance coverages or settlements in excess of insurance coverages.

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2005 and 2004

Note 4. Risk management – (continued)

The reserves for claims incurred but not reported is estimated by an independent actuary based upon the Pool's historical experience of claims incurred prior to September 30, 2005. The estimates reflect the actuary's best judgment as to the potential for claims to increase beyond the amounts already paid and reserved on filed claims, including the effects of inflation and other societal and economic factors. It is at least reasonably possible that a material change in the estimate will occur within the near term and thus the actual claims paid may be substantially different than these estimates. Any future adjustments to these amounts will affect the reported results of future periods.

The following represents changes in reserves for claims for the years ended September 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Reserves for claims – beginning of fiscal year	\$ 701,807	\$ 977,902
Incurred claims and claim adjustment expenses:		
Provision of insured events of current year	412,669	316,364
Decrease in provision for insured events of prior years	<u>(172,801)</u>	<u>(449,273)</u>
Total incurred claims and claim adjustment expenses	<u>239,868</u>	<u>(132,909)</u>
Payments:		
Claims and claim adjustment expenses attributable to events of current fiscal year	(12,404)	(1,692)
Claims and claim adjustment expenses attributable to insured events of prior years	<u>(102,756)</u>	<u>(141,494)</u>
Total payments	<u>(115,160)</u>	<u>(143,186)</u>
Reserve for claims – end of year	<u>\$ 826,515</u>	<u>\$ 701,807</u>

Required Supplementary Information

**Genesee County Self-Insured Trust Pool
Ten Year Claims Development Information**

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
1. Required contribution and investment revenue:					
Earned	\$1,212,109	\$1,350,873	\$1,606,439	\$(270,921)	\$ (8,544)
Ceded	<u>(804,263)</u>	<u>(762,007)</u>	<u>(654,067)</u>	<u>(402,184)</u>	<u>(291,232)</u>
Net earned	<u>\$ 407,846</u>	<u>\$ 588,866</u>	<u>\$952,372</u>	<u>\$(673,105)</u>	<u>\$ (299,776)</u>
2. Unallocated expenses	<u>\$ 126,362</u>	<u>\$ 426,659</u>	<u>\$ 333,551</u>	<u>\$ 370,836</u>	<u>\$ 873,183</u>
3. Estimated claims and expenses, end of policy year:					
Incurred	\$ 412,669	\$ 316,364	\$ 10,424	\$ 73,944	\$ 142,512
Ceded	-	-	-	-	-
Net incurred	<u>\$ 412,669</u>	<u>\$ 316,364</u>	<u>\$ 10,424</u>	<u>\$ 73,944</u>	<u>\$ 142,512</u>
4. Net paid (cumulative) as of:					
End of policy year	\$ 12,404	\$ 1,692	\$ 2,667	\$ 4,504	\$ 4,665
One year later	-	38,872	5,409	26,716	66,247
Two years later	-	-	21,700	43,105	186,889
Three years later	-	-	-	48,316	240,422
Four years later	-	-	-	-	278,583
Five years later	-	-	-	-	-
Six years later	-	-	-	-	-
Seven years later	-	-	-	-	-
Eight years later	-	-	-	-	-
Nine years later	-	-	-	-	-
5. Re-estimated ceded claims and expenses	-	-	-	-	-
6. Re-estimated net incurred claims and expenses:					
End of policy year	412,669	316,364	10,424	73,944	142,512
One year later	-	239,474	203,637	73,981	175,784
Two years later	-	-	87,072	102,279	252,447
Three years later	-	-	-	55,778	295,595
Four years later	-	-	-	-	334,722
Five years later	-	-	-	-	-
Six years later	-	-	-	-	-
Seven years later	-	-	-	-	-
Eight years later	-	-	-	-	-
Nine years later	-	-	-	-	-
7. Increase (decrease) in estimated net incurred claims and expenses from end of policy year	-	(76,890)	76,648	(18,166)	192,210

Note - Combined realized and unrealized investment losses amount to \$1,004,772 and \$827,532 for 2002 and 2001, respectively, causing earned revenues to be negative.

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$1,724,157 (256,412)	\$1,196,596 (396,569)	\$1,093,124 (342,907)	\$1,043,090 (626,447)	\$1,718,337 (451,561)
\$1,467,745	\$ 800,027	\$ 750,217	\$ 416,643	\$1,266,776
\$ 685,231	\$ 491,090	\$ 496,951	\$ 455,541	\$ 257,077
\$ 310,649	\$ 143,500	\$ 41,032	\$ 43,990	\$ 4,540
\$ 310,649	\$ 143,500	\$ 41,032	\$ 43,990	\$ 4,540
\$ 649	\$ 29,430	\$ 3,825	\$ 14,258	\$ 40
163,114	226,143	167,950	36,180	18,152
282,494	385,688	254,269	129,173	18,449
451,056	488,396	293,118	273,951	18,449
502,433	548,989	302,699	296,050	18,699
503,405	566,982	310,484	294,491	18,699
-	571,923	310,484	689,756	18,699
-	-	310,484	689,756	18,699
-	-	-	689,756	18,699
-	-	-	-	18,699
-	-	-	-	-
310,649	143,500	41,032	43,990	4,540
451,192	390,836	331,925	69,913	64,616
493,037	488,717	302,950	249,194	20,449
578,937	588,046	364,448	294,421	20,449
502,433	617,139	310,406	411,679	20,699
556,501	641,542	310,484	356,392	22,570
-	615,502	310,484	689,756	21,113
-	-	310,484	689,756	18,699
-	-	-	689,756	18,699
-	-	-	-	18,699
245,852	472,002	269,452	645,766	14,159

Genesee County Self-Insured Trust Pool
Reconciliation of Claims Liabilities by Type of Contract
September 30, 2005 and 2004

Note: The information presented represents the only type of claim covered by the Pool, which is general liability, law enforcement, incidental medical malpractice, and public officials' errors and omissions.

	<u>2005</u>	<u>2004</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	<u>\$ 701,807</u>	<u>\$ 977,902</u>
Incurring expenses and claim adjustment expenses:		
Provision for insured events of current fiscal year	412,669	316,364
Increase (decrease) in provision for insured events of prior fiscal years	<u>(172,801)</u>	<u>(449,273)</u>
Total incurred claims and claim adjustment expenses	<u>239,868</u>	<u>(132,909)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	(12,404)	(1,692)
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	<u>(102,160)</u>	<u>(141,494)</u>
Total payments	<u>(115,160)</u>	<u>(143,186)</u>
Total unpaid claims and claim adjustment expenses at end of fiscal year	<u>\$ 826,515</u>	<u>701,807</u>

Genesee County Self-Insured Trust Pool
Schedule of Principal Assets
September 30, 2005

		<u>Carrying Value</u> <u>Market Value</u>
<u>Short-Term Investments</u>		
	SEI DAILY INCOME TR TREASURY II PORT CL A FUND #37	\$ 416,848
	Total	<u>416,848</u>
<u>Comercial Paper</u>		
200,000	AMERICAN GENERAL FINANCE 3.73% 10/24/05	200,000
200,000	GENERAL ELECTRIC 3.61% 03/27/06	200,000
200,000	TOYOTA MOTOR CREDIT 3.5% 12/27/05	<u>200,000</u>
	Total	<u>600,000</u>
<u>Corporate Bonds</u>		
150,000	AVERY DENNISON CORP 6.53% 10/09/07	154,949
120,000	CENDANT CORP DTD 6.25% 1/15/08	122,885
175,000	CLEAR CHANNEL COMMUNICATIONS 4.5% 01/15/10	168,112
150,000	COCA COLA BOTTLING CO 6.375% 05/01/09	157,623
150,000	COMCAST CABLE COMM 6.75% 01/30/11	161,289
200,000	COMERICA INC 4.8% 05/01/15	194,854
150,000	JP MORGAN & CO 4.9% 06/28/09	151,261
75,000	LEHMAN BROS CIPS 3.44% 09/28/07	74,441
150,000	LEHMAN BROS INC 6.625% 02/15/08	156,498
125,000	MASCO CORP 5.875% 07/15/12	130,761
175,000	R R DONNELLEY & SONS 4.95% 04/01/14	168,196
175,000	SLM CORP 5% 10/01/13	<u>175,226</u>
	Total	<u>1,816,095</u>
<u>Common Stock</u>		
1,400	3M COMPANY	102,704
1,550	ALBERTO CULVER	69,362
1,600	AMERICAN EXPRESS	91,904
1,800	AMERICAN INTL GROUP	111,528
5,000	AMERICAN POWER CONVERSION	129,550
2,300	AMGEN	183,241
1,800	ANHEUSER BUSCH	77,472
2,200	BAKER HUGHES	131,296
2,550	BEST BUY CO INC	111,002

**Genesee County Self-Insured Trust Pool
Schedule of Principal Assets - (Continued)
September 30, 2005**

		<u>Carrying Value Market Value</u>
<u>Common Stock - (continued)</u>		
3,350	BJ SERVICES	120,566
2,000	BURLINGTON RESOURCES	162,640
1,650	CARDINAL HEALTH	104,676
1,200	COOPER COS INC	91,932
1,700	DEVON ENERGY	116,688
4,200	FIRST DATA CORP	168,000
2,600	FLUOR CORP	167,388
2,000	GRAINGER WW INC	125,840
3,500	HALLIBURTON CO	239,820
4,225	HILTON HOTELS CORP	94,302
1,925	INTERNATIONAL BUSINESS MACHINES CORP	154,424
2,900	LINEAR TECHNOLOGY CORP	109,011
2,100	MARRIOTT INTERNATIONAL INC	132,300
3,200	MCGRAW-HILL INC	153,728
2,050	MEDTRONIC INC	109,921
1,500	PEPSICO INC	85,065
2,800	PRAXAIR	134,204
2,000	ROCKWELL AUTOMATION INC	105,800
2,500	SLM INC	134,100
2,650	STATE STREET CORP	129,638
2,000	STRYKER CORP	98,860
5,000	TEXAS INSTRUMENTS INC	169,500
2,000	WAL MART STORES	87,640
3,000	WALGREEN	130,195
Total		<u>4,134,297</u>
Total Principal assets		<u>\$ 6,967,240</u>